

## Message Text

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ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 AID-05 L-02 /029 R

66602

DRAFTED BY: XMB:RICHARD J. MCALEER

APPROVED BY: EB/OCA/REP:LAKLIEFORTH

XMB:EJO'CONNOR, VICE PRESIDENT LATIN AMERICA

XMB:WWGLICK

EB/IFD/ODF:RASWART

ARA/LA:JSLATTERY (INFO)

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R 291451Z APR 75

FM SECSTATE WASHDC

TO AMCONSUL RIO DE JANEIRO

INFO AMEMBASSY BRASILIA

UNCLAS STATE 099263

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: EXIMBANK CREDIT NO. 5277 AND GUARANTEE NO. 5278

EMPRESA JORNALISTICA BRASILEIRA (EJB)

REF: RIO DE JANEIRO 1266

1. EXIMBANK'S PRELIMINARY COMMITMENT (45 PERCENT LOAN, 45 PERCENT GUARANTEE, 6 PERCENT INTEREST) FOR EJB WAS ISSUED IN NOVEMBER 1973. THE TERMS OF THE P.C. REQUIRED THAT A COMPLETE APPLICATION BE SUBMITTED TO EXIMBANK PRIOR TO THE EXPIRATION OF THE P.C. IT WAS NOT UNTIL JANUARY 1975, ALMOST ELEVEN MONTHS AFTER THE P.C. EXPIRY DATE, THAT EJB'S FORMAL LOAN APPLICATION WAS COMPLETE. EJB HAD BEEN INFORMED AS EARLY AS AUGUST 1974 THAT EXIMBANK'S FINANCING TERMS AND INTEREST RATES HAD CHANGED MATERIALLY SINCE THE P.C. WAS ISSUED.

2. ON JANUARY 23, 1975, EXIMBANK AUTHORIZED THE SUBJECT FINANCING, TO CONSIST OF A 30 PERCENT LOAN AT 8 PERCENT  
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INTEREST AND A 30 PERCENT GUARANTEE. ON APRIL 14, 1975, IN

RESPONSE TO EJB'S CLAIM THAT GERMANY OFFERED MORE FAVORABLE (BUT UNSPECIFIED) FINANCING TERMS, EXIMBANK INCREASED THE LOAN TO 45 PERCENT AND REDUCED THE GUARANTEE TO 22.5 PERCENT.

3. AGAIN, ON APRIL 16, 1975, EJB ASKED FOR RECONSIDERATION OF THE APPLICATION, CONTINUING TO CITE THE LONG-EXPIRED P.C. AS A BASIS FOR INCREASED EXIMBANK PARTICIPATION. INASMUCH AS EXIMBANK BELIEVES IT WAS NOT, BY THIS TIME, BOUND BY THE P.C. TERMS AND SINCE THERE WAS NO JUSTIFICATION FOR EXCEEDING EXIMBANK'S NORMAL LENDING TERMS, THE BOARD OF DIRECTORS DENIED EJB'S REQUEST ON APRIL 24, 1975. AUTHORIZATION OF THE CREDIT DESCRIBED IN PARA TWO STILL STANDS. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANK LOANS, LOAN GUARANTEES, CREDIT AUTHORIZATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE099263  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** XMB:RICHARD J. MCALEER  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ORIGIN XMB  
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**Original Handling Restrictions:** n/a  
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**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 JUL 2003  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXIMBANK CREDIT NO. 5277 AND GUARANTEE NO. 5278 EMPRESA JORNALISTICA BRASILEIRA (EJB)  
**TAGS:** EFIN, BR, XMB, EMPRESA JORNALISTICA BRASILEIRA  
**To:** RIO DE JANEIRO  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006